

**GREATER NEW ORLEANS, INC.,
AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013 and 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 10 2014

**GREATER NEW ORLEANS, INC.,
AND AFFILIATE**

CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1-2
Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4-5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-14
Supplementary Information	
Consolidating Schedules of Expenses	15
Consolidating Statements of Financial Position	16-17
Consolidating Statements of Activities	18-19
OMB Circular A-133 Compliance and Government Auditing Standards Reports	
Independent Auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i> .	20-21
Independent Auditors' report on compliance for each major federal program and report on internal control over compliance required by OMB Circular A-133	22-23
Schedule of expenditures of federal awards for the year ended December 31, 2013	24
Notes to the schedule of expenditures of federal awards for the year ended December 31, 2013	25
Schedule of Findings and Questioned Costs	26

CLIFTON W. NEWLIN
ROBERT D. WATKINS
EDWARD B. BERBUESSE, JR.
JON S. FOLSE



WEGMANN DAZET & COMPANY

MARK D. BOHNET
LISA D. ENGLADE
KERNEY F. CRAFT, JR.
JONATHAN P. KOENIG
JOHN D. WHITE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greater New Orleans, Inc. and its affiliate,
Greater New Orleans Development Foundation
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation (both nonprofit organizations), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation, as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The 2013 and 2012 consolidating schedule of expenses, consolidating statements of financial position and the consolidating statements of activities on pages 15 – 19 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2014 on our consideration of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control over financial reporting and compliance.

June 27, 2014

Wegman Payton & Company

GREATER NEW ORLEANS, INC., AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,373,732	\$ 2,170,533
Certificate of deposits	15,950	38,336
Accounts receivable	812,532	805,152
Other current assets	5,268	18,915
Total current assets	<u>3,207,482</u>	<u>3,032,936</u>
Property and equipment, at cost less accumulated depreciation	4,773	11,974
Deposits	<u>15,713</u>	<u>15,713</u>
Total assets	<u><u>\$ 3,227,968</u></u>	<u><u>\$ 3,060,623</u></u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 336,762	\$ 494,031
Accrued payroll liabilities	228,317	154,460
Current portion of long-term debt	12,099	51,027
Total current liabilities	<u>577,178</u>	<u>699,518</u>
Long-term debt, less current portion	<u>-</u>	<u>11,253</u>
Total liabilities	<u><u>577,178</u></u>	<u><u>710,771</u></u>
NET ASSETS		
Net assets		
Unrestricted	2,098,153	850,618
Temporarily restricted	552,637	1,499,234
Total net assets	<u>2,650,790</u>	<u>2,349,852</u>
Total liabilities and net assets	<u><u>\$ 3,227,968</u></u>	<u><u>\$ 3,060,623</u></u>

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Investor contributions	\$ 2,246,099	\$ -	\$ 2,246,099
Sponsorship	55,000	100,000	155,000
NORLI	-	201,118	201,118
Grants	1,590,022	1,379,018	2,969,040
Interest income	2,250	-	2,250
Other income	110,085	-	110,085
Net assets released from restrictions	<u>2,626,733</u>	<u>(2,626,733)</u>	<u>-</u>
Total revenues	<u>6,630,189</u>	<u>(946,597)</u>	<u>5,683,592</u>
Expenses			
Program services			
Grants	2,535,085	-	2,535,085
Initiatives	342,152	-	342,152
Public	230,596	-	230,596
Business development	570,839	-	570,839
Communications	114,841	-	114,841
Supporting services			
General and administrative	<u>1,589,141</u>	<u>-</u>	<u>1,589,141</u>
Total expenses	<u>5,382,654</u>	<u>-</u>	<u>5,382,654</u>
Change in net assets	<u>1,247,535</u>	<u>(946,597)</u>	<u>300,938</u>
Net assets			
Beginning of year	<u>850,618</u>	<u>1,499,234</u>	<u>2,349,852</u>
End of year	<u><u>\$ 2,098,153</u></u>	<u><u>\$ 552,637</u></u>	<u><u>\$ 2,650,790</u></u>

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Investor contributions	\$ 1,967,916	\$ 1,075,000	\$ 3,042,916
Sponsorship	2,500	69,583	72,083
NORLI	-	139,349	139,349
Grants	2,119,782	285,000	2,404,782
Management fees	106,161	-	106,161
Interest income	1,919	-	1,919
Other income	146,183	700	146,883
Net assets released from restrictions	<u>1,186,401</u>	<u>(1,186,401)</u>	<u>-</u>
Total revenues	<u>5,530,862</u>	<u>383,231</u>	<u>5,914,093</u>
Expenses			
Program services			
Grants	2,909,468	-	2,909,468
Initiatives	457,766	-	457,766
Public	89,984	-	89,984
Business development	560,490	-	560,490
Communications	52,371	-	52,371
Supporting services			
General and administrative	<u>1,524,919</u>	<u>-</u>	<u>1,524,919</u>
Total expenses	<u>5,594,998</u>	<u>-</u>	<u>5,594,998</u>
Change in net assets	(64,136)	383,231	319,095
Net assets			
Beginning of year	<u>914,754</u>	<u>1,116,003</u>	<u>2,030,757</u>
End of year	<u>\$ 850,618</u>	<u>\$ 1,499,234</u>	<u>\$ 2,349,852</u>

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Change in net assets	\$ 300,938	\$ 319,095
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	7,201	7,201
(Increase) decrease in operating assets:		
Accounts receivables	(7,380)	(49,901)
Other current assets	13,647	(18,146)
Other noncurrent assets	-	(5,000)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(83,412)	52,120
Other current liabilities	-	(11,476)
Net cash provided by operating activities	<u>230,994</u>	<u>293,893</u>
Cash flows from investing activities:		
Proceeds from maturity of certificate of deposit	22,471	-
Purchase of investments, net	<u>(85)</u>	<u>(197)</u>
Net cash provided (used) by investing activities	<u>22,386</u>	<u>(197)</u>
Cash flows from financing activities:		
Repayments of long-term debt	<u>(50,181)</u>	<u>(59,184)</u>
Net cash used by financing activities	<u>(50,181)</u>	<u>(59,184)</u>
Net increase	203,199	234,512
Cash and cash equivalents at beginning of year	<u>2,170,533</u>	<u>1,936,021</u>
Cash and cash equivalents at end of year	<u>\$ 2,373,732</u>	<u>\$ 2,170,533</u>

See accompanying Notes to Consolidated Financial Statements.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012

1) Nature of activities

Greater New Orleans, Inc. (GNO, Inc.) is a non-profit corporation formed in January 2004 to spearhead economic development for the ten-parish Greater New Orleans region, which accounts for about one-third of Louisiana's economy. In collaboration with government, business and industry, and civic leaders, GNO, Inc.'s professional economic development staff works to create jobs in Southeast Louisiana, market the parishes to companies seeking to expand or relocate, and retain and grow existing businesses.

GNO, Inc.'s affiliate, Greater New Orleans Development Foundation (the Foundation) was created to provide support to the charitable, scientific and educational programs initiated and implemented by GNO, Inc.

2) Summary of significant accounting principles

Significant accounting policies followed by the companies are summarized below.

a) Financial statement presentation

GNO, Inc.'s and the Foundation's policy is to prepare its consolidated financial statements on the accrual basis of accounting, which recognizes all revenues and the related assets when earned and all expenses and the related obligations when incurred.

b) Basis of consolidation

The consolidated financial statements include the accounts of Greater New Orleans, Inc. and its affiliate Greater New Orleans Development Foundation. The Board of Directors of the Foundation consists of the eight members including the current Chairman of the Board of GNO, Inc., up to 4 of the immediate past Board Chairman of GNO, Inc. and three additional directors, none of whom is an incumbent member of the Board of Directors of GNO, Inc. but all of whom are appointed by the chairman of the board of GNO, Inc.. GNO, Inc. and the Foundation share common facilities and personnel. All material inter-organization transactions have been eliminated.

c) Cash and cash equivalents

All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

d) Accounts receivable

GNO, Inc. and the Foundation write off uncollectible accounts as they are identified. GNO, Inc.'s estimate for the allowance for doubtful accounts is based on a review of the current status of accounts receivable. Accounts receivable for GNO, Inc. is presented net of an allowance for doubtful accounts of \$65,532 and \$70,000 as of December 31, 2013 and 2012, respectively. Accounts receivable for the Foundation is presented net of an allowance for doubtful accounts of \$10,500 and \$0- as of December 31, 2013 and 2012, respectively.

e) Use of estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2013 and 2012

2) Summary of significant accounting principles (continued)

f) Property and equipment

Property and equipment are carried at cost. Depreciation of property is provided over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the assets carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The estimated useful lives of depreciable assets are:

	<u>Useful Lives</u>
Furniture and fixtures	5 to 8 years
Equipment	5 years
Leasehold improvements	10 years

g) Certificates of deposit

Investments in certificates of deposit are stated at fair values in the statement of financial position. Investments with a maturity of less than one year are classified as current assets.

h) Description of net assets classification

Financial Accounting Standards Board Accounting Standards Codification 958, *Financial Statements for Not-for-Profit Entities*, requires the net assets and changes in net assets be reported for three classifications – permanently restricted, temporarily restricted and unrestricted based on the existence or absence of donor imposed restrictions.

GNO, Inc. and the Foundation report gifts of cash and other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to unrestricted net assets. Funds received with the stipulation that the funds be returned if specified future events fail to occur are accounted for as refundable advances until the conditions have been substantially met.

i) Concentration of credit risk

Financial instruments that potentially subject GNO, Inc. and the Foundation to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. GNO, Inc. and the Foundation have not experienced any losses in such accounts. GNO, Inc. and the Foundation have no policy requiring collateral or other security to support its deposits.

GNO, Inc. and the Foundation at times extend credit to their investors. GNO, Inc. and the Foundation perform ongoing credit evaluations of its investors but generally do not require collateral to support accounts receivable.

j) Donated services

Donated services are recognized at fair market value as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by individuals with those skills, and would otherwise be purchased.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2013 and 2012

2) Summary of significant accounting principles (continued)

k) Advertising

GNO, Inc. and the Foundation expense advertising as incurred. Advertising expense was \$43,582 and \$11,472 for the years ended December 31, 2013 and 2012, respectively.

l) Income taxes

GNO, Inc. is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code. The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

GNO, Inc. and the Foundation adopted the provisions of Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 740, *Accounting for Uncertainty in Income Taxes*. Management of GNO, Inc. and the Foundation believe there is no material uncertain tax position and accordingly it will not recognize any liability for unrecognized tax benefits. With few exceptions, GNO, Inc. and the Foundation are no longer subject to United States federal or Louisiana state income tax examinations by tax authorities for the years before 2010.

3) Property and equipment

Property and equipment is summarized as follows:

	<u>2013</u>	<u>2012</u>
Furniture and fixtures	\$ 116,329	\$ 116,329
Equipment	52,425	52,425
Leasehold improvements	25,463	25,463
Total costs	194,217	194,217
Less: accumulated depreciation	189,444	182,243
Property and equipment	<u>\$ 4,773</u>	<u>\$ 11,974</u>

4) Investments

Financial Accounting Standards Board Accounting Standards Codification 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012

4) Investments (continued)

Level 2 -- Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2013:

	Total Fair Value Assets as of December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	\$ 15,950	\$ 15,950	\$ -	\$ -

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2012:

	Total Fair Value Assets as of December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	\$ 38,336	\$ 38,336	\$ -	\$ -

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012

5) Restrictions on net assets

The Foundation received several temporarily restricted grants to help fund the various projects and programs. Temporarily restricted net assets as of December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Coastal Vitality Project	\$ 156,418	\$ 790,462
Strategy to enhance the economic impacts of the Energy and other Key Industry Sectors	86,307	416,635
Technology Workforce Access Program	12,616	47,941
FEMA	35,000	-
Water Management Strategy	-	25,000
Report on Economic and Demographic Health	-	10,000
Mott Foundation	-	3,813
Blue Moon Fund	73,566	-
NORLI	180,220	160,209
504ward	8,510	45,174
Total temporarily restricted assets	<u>\$ 552,637</u>	<u>\$1,499,234</u>

6) Federal financial assistance

The Foundation was awarded a grant from the U.S. Department of Commerce Economic Development Administration to execute a business outreach strategy that will educate the public that "New Orleans is Open for Business." The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended December 31, 2012 was as follows:

	<u>2012</u>
Grant Receipts	\$ 91,891
Prior Year Expenditures	13,279
Grant Expenditures	<u>78,612</u>
Due from grant at end of year	<u>\$ -</u>

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012

6) Federal financial assistance (continued)

The Foundation was awarded a grant from the Office of Community Development to assist in the execution of the Resiliency Program, which is designed to provide recovery to Louisiana's most at-risk communities. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the years ended December 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Grant Receipts	\$ 760,896	\$ 1,723,301
Prior Year Expenditures	340,609	484,866
Grant Expenditures	<u>435,706</u>	<u>1,579,044</u>
Due from grant at end of year	<u>\$ 15,419</u>	<u>\$ 340,609</u>

The Foundation was awarded grants from the Office of Community Development to assist in the activities under the Louisiana Innovation Loan and Technical Assistance Program, which is designed to provide loans and technical assistance to small business and entrepreneurs. The grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended December 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Grant Receipts	\$ 69,160	\$ -
Prior Year Expenditures	61,202	-
Grant Expenditures	<u>43,618</u>	<u>61,202</u>
Due from grant at end of year	<u>\$ 35,660</u>	<u>\$ 61,202</u>

The Foundation was awarded a grant from the U.S. Department of Commerce Economic Development Administration to fund a project that will build the emerging environmental industries economy in Greater New Orleans. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended December 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Grant Receipts	\$ 82,618	\$ -
Prior Year Expenditures	27,049	-
Grant Expenditures	<u>82,802</u>	<u>27,049</u>
Due from grant at end of year	<u>\$ 27,233</u>	<u>\$ 27,049</u>

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012

6) Federal financial assistance (continued)

The Foundation was awarded a grant from the U.S. Department of Commerce Economic Development Administration to fund a project that will research and develop case studies of disaster recovery and provide technical assistance to disaster affected communities. The grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Grant activity for the year ended December 31, 2013 were as follows:

	<u>2013</u>
Grant Receipts	\$ -
Prior Year Expenditures	-
Grant Expenditures	<u>9,844</u>
Due from grant at end of year	<u>\$ 9,844</u>

7) Operating lease

GNO, Inc. leases office space for its headquarters. The lease payments are \$12,330 through May 2015. The lease expires May 2015 and contains an option to renew for two additional five year terms. Future minimum rental payments under the lease are as follows:

<u>Year Ending</u>		<u>Amount</u>
2014	\$	147,956
2015		61,648

A portion of the leased space is subleased to an unaffiliated business. The above lease expense will be offset by payments due under the sublease as follows:

<u>Year Ending</u>		<u>Amount</u>
2014	\$	12,215
2015		4,072

8) Long-term debt

Long-term debt at December 31, 2013 and 2012 consists of the following:

	<u>2013</u>	<u>2012</u>
GNO, Inc., notes payable to a bank with interest ranging from 3.25% to 6.00%, secured by the assets of GNO, Inc., due in monthly installments of approximately \$5,300, including principal and interest. The notes mature at various dates through September 2014.	<u>\$ 12,099</u>	<u>\$ 62,280</u>
Total long-term debt	12,099	62,280
Less current portion	(12,099)	(51,027)
Long-term debt, less current portion	<u>\$ -</u>	<u>\$ 11,253</u>

GREATER NEW ORLEANS, INC., AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012

9) Employee benefit plan

GNO, Inc. maintains a 401(k) retirement plan for the benefit of all eligible employees. Employer contributions to the plan are determined annually by the Board of Directors. For the years ended December 31, 2013 and 2012, GNO, Inc. contributed approximately \$49,863 and \$45,450 to the plan, respectively.

10) Donated services

The value of donated services included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended December 31, 2013, were consultants expense of \$25,000, meeting and events expense of \$16,530, meals and entertainment expense of \$2,251, public relations expense of \$8,015, and website development expense of \$15,734.

The value of donated services included as contributions in the consolidated financial statements and the corresponding program expenses for the year ended December 31, 2012, were travel and entertainment expenses of \$7,443, and meeting and events expense of \$21,319.

11) Related party transactions

During 2013, GNO, Inc. contracted with two law firms to provide consulting services on a monthly basis. Two members of the Board of Directors are partners with these firms. The combined fees paid to the law firms for the year end December 31, 2013 was \$94,548. Other services provided by companies who were associated with GNO, Inc. Board of Directors totaled \$5,519 for the year ended December 31, 2013.

During 2012, GNO, Inc. contracted with two law firms to provide consulting services on a monthly basis. Two members of the Board of Directors are partners with these firms. The combined fees paid to the law firms for the year end December 31, 2012 was \$4,833. Other services provided by companies who were associated with GNO, Inc. Board of Directors totaled \$8,128 for the year ended December 31, 2012.

12) Supplemental statement of cash flows information

Cash paid for interest expense was \$1,574 and \$4,739 for the years ended December 31, 2013 and 2012, respectively.

13) Subsequent events

Management has evaluated subsequent events through June 27, 2014, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

GREATER NEW ORLEANS, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATED SCHEDULES OF EXPENSES

For the Years Ended December 31, 2013 and 2012

	2013	2012
Bad debt expense	\$ 112,282	\$ 95,831
Bank service charge	696	289
Contracted staff expenses	114,973	155,849
Consultants	1,439,423	1,776,303
Development	57,030	83,433
Depreciation	7,201	7,201
Dues and subscriptions	47,260	47,858
Grants	310,234	134,766
Grant administration	106,965	106,965
Interest	1,574	4,739
Insurance	103,465	91,391
Marketing	43,582	11,472
Meetings and events	232,823	258,528
Management fee	-	147,556
Merchant credit card fees	2,440	3,324
Other expense	348	-
Payroll service fees	7,133	6,959
Payroll taxes	126,154	116,879
Postage and delivery	2,678	4,096
Printing and reproduction	29,633	19,016
Professional services	28,338	23,847
Public relations	58,436	40,000
Rent expense	155,420	153,418
Repairs and maintenance	969	2,118
Salary and wages	1,915,984	1,711,570
Service awards	16,594	9,969
Storage	6,318	6,326
Supplies	22,527	22,796
Training and development	10,305	14,692
Technology	52,271	64,749
Telephone	48,074	63,489
Travel, meals and entertainment	210,495	254,500
Website development	61,166	109,619
401K contributions	49,863	45,450
Total expenses	<u>\$ 5,382,654</u>	<u>\$ 5,594,998</u>

GREATER NEW ORLEANS, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2013

	Greater New Orleans, Inc	Foundation	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
ASSETS					
Current assets					
Cash and cash equivalents	\$ 461,456	\$ 1,912,276	\$ 2,373,732	\$ -	\$ 2,373,732
Certificate of deposits	-	15,950	15,950	-	15,950
Accounts receivable	1,131,747	90,156	1,221,903	(409,371)	812,532
Other current assets	4,013	1,255	5,268	-	5,268
Due from affiliate	-	2,883	2,883	(2,883)	-
Total current assets	<u>1,597,216</u>	<u>2,022,520</u>	<u>3,619,736</u>	<u>(412,254)</u>	<u>3,207,482</u>
Property and equipment, at cost less accumulated depreciation	4,773	-	4,773	-	4,773
Deposits	<u>15,713</u>	<u>-</u>	<u>15,713</u>	<u>-</u>	<u>15,713</u>
Total assets	<u>\$ 1,617,702</u>	<u>\$ 2,022,520</u>	<u>\$ 3,640,222</u>	<u>\$ (412,254)</u>	<u>\$ 3,227,968</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 266,568	\$ 479,565	\$ 746,133	\$ (409,371)	\$ 336,762
Accrued payroll liabilities	224,218	4,099	228,317	-	228,317
Due to affiliate	2,883	-	2,883	(2,883)	-
Current portion of long-term debt	<u>12,099</u>	<u>-</u>	<u>12,099</u>	<u>-</u>	<u>12,099</u>
Total current liabilities	<u>505,768</u>	<u>483,664</u>	<u>989,432</u>	<u>(412,254)</u>	<u>577,178</u>
Long-term debt, less current portion	-	-	-	-	-
Total liabilities	<u>505,768</u>	<u>483,664</u>	<u>989,432</u>	<u>(412,254)</u>	<u>577,178</u>
NET ASSETS					
Net assets					
Unrestricted	1,111,934	986,219	2,098,153	-	2,098,153
Temporarily restricted	-	552,637	552,637	-	552,637
Total net assets	<u>1,111,934</u>	<u>1,538,856</u>	<u>2,650,790</u>	<u>-</u>	<u>2,650,790</u>
Total liabilities and net assets	<u>\$ 1,617,702</u>	<u>\$ 2,022,520</u>	<u>\$ 3,640,222</u>	<u>\$ (412,254)</u>	<u>\$ 3,227,968</u>

GREATER NEW ORLEANS, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2012

	Greater New Orleans, Inc.	Foundation	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 145,500	\$ 2,025,033	\$ 2,170,533	\$ -	\$ 2,170,533
Certificate of deposits	-	38,336	38,336	-	38,336
Accounts receivable	672,262	440,109	1,112,371	(307,219)	805,152
Other current assets	18,667	248	18,915	-	18,915
Due from affiliate	7,500	-	7,500	(7,500)	-
Total current assets	843,929	2,503,726	3,347,655	(314,719)	3,032,936
Property and equipment, at cost less accumulated depreciation	11,974	-	11,974	-	11,974
Deposits	15,713	-	15,713	-	15,713
Total assets	<u>\$ 871,616</u>	<u>\$ 2,503,726</u>	<u>\$ 3,375,342</u>	<u>\$ (314,719)</u>	<u>\$ 3,060,623</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 38,028	\$ 763,222	\$ 801,250	\$ (307,219)	\$ 494,031
Accrued payroll liabilities	119,691	34,769	154,460	-	154,460
Due to affiliate	-	7,500	7,500	(7,500)	-
Current portion of long-term debt	51,027	-	51,027	-	51,027
Total current liabilities	208,746	805,491	1,014,237	(314,719)	699,518
Long-term debt, less current portion	11,253	-	11,253	-	11,253
Total liabilities	<u>219,999</u>	<u>805,491</u>	<u>1,025,490</u>	<u>(314,719)</u>	<u>710,771</u>
NET ASSETS					
Net assets:					
Unrestricted	651,617	199,001	850,618	-	850,618
Temporarily restricted	-	1,499,234	1,499,234	-	1,499,234
Total net assets	<u>651,617</u>	<u>1,698,235</u>	<u>2,349,852</u>	<u>-</u>	<u>2,349,852</u>
Total liabilities and net assets	<u>\$ 871,616</u>	<u>\$ 2,503,726</u>	<u>\$ 3,375,342</u>	<u>\$ (314,719)</u>	<u>\$ 3,060,623</u>

GREATER NEW ORLEANS, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

	GNO, Inc. Unrestricted	Foundation Unrestricted	Foundation Temporarily Restricted	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues						
Investor contributions	\$ 1,923,930	\$ 322,169	\$ -	\$ 2,246,099	\$ -	\$ 2,246,099
Sponsorship	55,000	-	100,000	155,000	-	155,000
NORLI	-	-	201,118	201,118	-	201,118
Grants	1,021,421	568,601	1,379,018	2,969,040	-	2,969,040
Management fees	1,082,516	-	-	1,082,516	(1,082,516)	-
Interest income	-	2,250	-	2,250	-	2,250
Other income	110,085	-	-	110,085	-	110,085
Net assets released from restrictions	-	2,626,733	(2,626,733)	-	-	-
Total revenues	4,192,952	3,519,753	(946,597)	6,766,108	(1,082,516)	5,683,592
Expenses						
Program services						
Grants	1,032,387	2,235,744	-	3,268,131	(733,046)	2,535,085
Initiatives	72,286	317,422	-	389,708	(47,556)	342,152
Public	230,596	-	-	230,596	-	230,596
Business development	570,839	-	-	570,839	-	570,839
Communications	114,841	-	-	114,841	-	114,841
Supporting services						
General and administrative	1,711,686	179,369	-	1,891,055	(301,914)	1,589,141
Total expenses	3,732,635	2,732,535	-	6,465,170	(1,082,516)	5,382,654
Change in net assets	460,317	787,218	(946,597)	300,938	-	300,938
Net assets						
Beginning of year	651,617	199,001	1,499,234	2,349,852	-	2,349,852
End of year	\$ 1,111,934	\$ 986,219	\$ 552,637	\$ 2,650,790	\$ -	\$ 2,650,790

GREATER NEW ORLEANS, INC., AND AFFILIATE
SUPPLEMENTARY INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

	GNO, Inc. Unrestricted	GNO, Inc. Temporarily Restricted	Foundation Unrestricted	Foundation Temporarily Restricted	Totals Before Consolidating Entries	Consolidating Entries	Consolidated Totals
Revenues							
Investor contributions	\$ 1,591,150	\$ -	\$ 376,766	\$ 1,075,000	\$ 3,042,916	\$ -	\$ 3,042,916
Sponsorship	2,500	-	-	69,583	72,083	-	72,083
NORLI	-	131,949	-	7,400	139,349	-	139,349
Grants	368,876	-	1,918,070	285,000	2,571,946	(167,164)	2,404,782
Management fees	618,401	-	-	-	618,401	(512,240)	106,161
Interest income	-	-	1,919	-	1,919	-	1,919
Other income	145,743	-	440	700	146,883	-	146,883
Net assets released from restrictions	203,739	(203,739)	982,662	(982,662)	-	-	-
Total revenues	2,930,409	(71,790)	3,279,857	455,021	6,593,497	(679,404)	5,914,093
Expenses							
Program services							
Grants	379,474	-	2,748,283	-	3,127,757	(218,289)	2,909,468
Initiatives	352,771	-	272,159	-	624,930	(167,164)	457,766
Public	89,984	-	-	-	89,984	-	89,984
Business development	560,490	-	-	-	560,490	-	560,490
Communications	52,371	-	-	-	52,371	-	52,371
Supporting services							
General and administrative	1,348,895	-	469,975	-	1,818,870	(293,951)	1,524,919
Total expenses	2,783,985	-	3,490,417	-	6,274,402	(679,404)	5,594,998
Change in net assets	146,424	(71,790)	(210,560)	455,021	319,095	-	319,095
Net assets							
Beginning of year	505,193	71,790	409,561	1,044,213	2,030,757	-	2,030,757
End of year	<u>\$ 651,617</u>	<u>\$ -</u>	<u>\$ 199,001</u>	<u>\$ 1,499,234</u>	<u>\$ 2,349,852</u>	<u>\$ -</u>	<u>\$ 2,349,852</u>

**OMB CIRCULAR A-133 COMPLIANCE AND
GOVERNMENT AUDITING STANDARD REPORTS**

CLIFTON W. NEWLIN
ROBERT D. WATKINS
EDWARD G. BERGLIESSE, JR.
JON S. FOLSE



WEGMANN DAZET & COMPANY

MARK D. BOHNET
LISA D. ENGLADE
KERNEY F. CRAFT, JR.
JONATHAN P. KOENIG
JOHN D. WHITE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Greater New Orleans, Inc. and its affiliate,
Greater New Orleans Development Foundation
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Greater New Orleans, Inc., and its affiliate Greater New Orleans Development Foundation which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 27, 2014

Wegman Payton & Company

CLIFTON W. NEWLIN
ROBERT D. WATKINS
EDWARD G. BERSUESSE, JR.
JON S. FOLSE



WEGMANN DAZET & COMPANY

MARK D. BOHNET
LISA D. ENGLADE
KERNEY F. CRAFT, JR.
JONATHAN P. KOENIG
JOHN D. WHITE

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Greater New Orleans, Inc. and its affiliate,
Greater New Orleans Development Foundation
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's major federal programs for the year ended December 31, 2013. Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 27, 2014

Wegman Poyt + Company

GREATER NEW ORLEANS, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development Office of Community Development	14.228	\$ 479,323
U.S. Department of Commerce Economic Adjustment Assistance	11.307	82,802
U.S. Department of Commerce Economic Development Technical Assistance	11.303	<u>9,844</u>
Total Expenditure of Federal Awards		<u>\$ 571,969</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

GREATER NEW ORLEANS, INC. AND AFFILIATE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Note 1 General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Greater New Orleans, Inc. and its affiliate. The reporting entity is defined in Note 1 to Greater New Orleans, Inc. and its affiliate's financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 3 Risk-based audit approach

The dollar threshold used to distinguish between Type A and Type B programs is \$300,000. The Organization does not qualify as a low-risk auditee.

Note 4 Possible ineligible, disallowed and questioned costs

Greater New Orleans, Inc. and its affiliate are subject to audit(s) and investigation(s) by state and federal agencies or their designees for compliance with contractual and programmatic requirements with regard to funding provided to Greater New Orleans, Inc. and its affiliate. The determination of whether any instances of noncompliance that will ultimately result in remittance by Greater New Orleans, Inc. and its affiliate of any ineligible or disallowed costs cannot be presently determined.

GREATER NEW ORLEANS, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

We have audited the basic consolidated financial statements of Greater New Orleans, Inc. and its affiliate, Greater New Orleans Development Foundation, as of and for the year ended December 31, 2013, and have issued our report thereon dated June 27, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, Issued by the Comptroller General of the United States. Our audit of the consolidated financial statements as of December 31, 2013 resulted in an unqualified opinion.

SUMMARY OF THE AUDITORS' RESULTS

1. Type of report issued on the financial statements: **Unmodified Opinion**.
2. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **No**. Material weaknesses: **No**.
3. Noncompliance which is material to the financial statements: **No**.
4. Significant deficiencies in internal control over major programs: **No**. Material weaknesses: **No**.
5. Type of report issued on compliance for major programs: **Unmodified Opinion**.
6. Any audit findings which are required to be reported under Section 501(a) of Circular A-133: **No**.
7. Major programs for the fiscal year ended December 31, 2013 were:
Department of Housing and Urban Development
Office of Community Development (CFDA #14.228)
8. Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**.
9. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: **No**.
10. A management letter was issued: **No**.

SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended December 31, 2013.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

There were no items identified in the course of our testing during the current year required to be reported.